

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987– First Schedule – Rationalization of tax rates on certain categories of tax payers –Notification – Orders – Issued.

REVENUE (COMMERCIAL TAXES-II) DEPARTMENT

G.O.Ms.No.223,

Dated:24-08-2020.
Read the following:

1. Act No.22 of 1987.
2. G.O.MS.No.82, Revenue (CT-IV) DePt., Dt.04-02-2013.
3. From the Chief Commissioner of State Tax, A.P., Letter ref.no. DMU (1)/68/2019-2 Dt.06-02-2020.

ORDER:

The Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 provides for levy and collection of tax on Professions, Trades, Callings and Employments. The first schedule appended to the Act specifies the rates of tax applicable to different categories of tax payers. Keeping in view the rising incomes in different professions, trades and callings, and the need to rationalize the tax slabs as well, Government have revised the ProfessionTax rates from time to time. While revising the tax rates, the Constitutional ceiling of Rs.2500/- per annum on Profession Tax was strictly adhered to. The last revision of Profession Tax rates was done in 2013 vide reference 2nd read above bringing down the number of tax slabs to only two 1) Rs.1250/- per annum and 2) Rs.2500/- per annum. Since the revision of tax rates in 2013, many changes have taken place in the economic scenario impacting the incomes of different categories of Professionals warranting upward revision of tax slabs in certain categories.

Besides, the COVID-19 lockdown implemented since 23rd March, 2020 in the State following the directions of Ministry of Home Affairs, Government of India, had resulted in cessation of all the economic activities in the State seriously affecting the revenues of the State during the months of April, May, June and July 2020. In April, 2020, the revenue realized in the State was only Rs.1323 Cr as against Rs.4,480 Cr realized in April, 2019 which accounts for only 29.5% of the total expected revenue. Similar trends were observed for the months of May and June and July, 2020 also. The downward trend in revenues is noticed in Profession tax collections also. During the current year, Profession tax collections up to July, 2020 were only Rs.46.85 Cr as against the collection of Rs.69.60 Cr up July, 2019 in the previous year, registering a fall of (-)32.70%.

While the fall in revenues from all sources continued, there is steep increase in the expenditure relating to health services for combating COVID-19 pandemic. Furthermore, the Government of Andhra Pradesh is implementing several schemes for the welfare of people from downtrodden sections. The Schemes include Rythu Bharosa, Vahana Mithra, Jagananna Vidya Deevena, Jaganna Chedodu, Tele medicine, zero interest loan schemes to women, Amma Vodi, Nadu Nedu etc. These welfare schemes require huge financial allocations. Considering the fact that the revenues of the State are plummeting on one hand and the requirement for finances to implement the pro-poor schemes is escalating on the other hand, it has become imperative to increase the

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revenues of the State. Taking all the factors into consideration, Government have decided to rationalize the rates of Profession Tax for certain categories of tax payers ensuring that the maximum tax payable by any person does not exceed Rs.2500/- per annum.

Accordingly, the following notification shall be published in an Extra-ordinary Gazette.

NOTIFICATION

In exercise of the powers conferred by sub-section(1) of section-37 of the Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 (Act No.22 of 1987), the Government of Andhra Pradesh hereby makes the following amendments to the First Schedule of the said Act.

AMENDMENTS

In the said Act, in the First Schedule, in the table, -

- i. For the entries at Sl.Nos.4,7,9,14,18,21, 25 and 31, the following shall be substituted:

SL. No.	Description	Tax Per month (PM) or Per Annum (PA) Rs.
4	Contractors scoring annual turnover as under:	
	(a) Below Rs.10 lakhs	Nil
	(b) From Rs.10 lakh to Rs.25 lakhs	2000
	(c) Above Rs. 25 lakhs	2500
7	Persons employed in the motion Picture industry namely:- Film Producers, Film Distributors, Film Directors, Cinematograph Film Processors, Directors of Photography, Music Directors, Choreographers, Lyricists, Actors and Actresses, Story writers, Play-backsingers, Recordists, Editors, Owners or Lessees of outdoor film units, Assistant Music Directors, Assistant director of Photography, Cameraman, Still Photographers, Junior Artists, Production Managers, Assistant Directors, Assistant Cameraman, Assistant Recordists, Assistant Editors, Musicians and Dancers	2500
9	Owners or Lessees of factories as defined under the Factories Act, 1948 with annual turnover as follows:	
	i) Below Rs.10 Lakhs	Nil
	ii) From Rs.10 Lakhs to Rs.25 Lakhs	2000
	iii) Above Rs.25 Lakhs	2500
14	Owners or Lessees of Hotels, Restaurants, Bars or Lodging Houses having annual turnover as follows:	Nil
	i) Below Rs.10 Lakhs	
	ii) From Rs.10 lakhs to 25 lakhs	2000
	iii) Above Rs 25 lakhs	2500

18	Co-operative Societies registered under the A.P.Co-operative Societies Act, 1964 and engaged in any profession, trade or calling:	
	i) Village and Mandal level	Nil
	ii) District and State level societies	2500
21	Each Partner of a firm drawing remuneration from the firm engaged in any Profession, trade or calling	2500
25	Video Cassette, DVD, CD Libraries.	2500
31	Weigh Bridge Operators	2500

ii. After the entry at Sl.No.39, the following shall be added,-

Sl.No.	Description	Tax per month (PM) or Per annum (PA) Rs.
39A	All Restaurants, Takeaway food Points, canteens and curry points	2500

iii. The entry at Sl.no.36 shall be deleted.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**Dr. RAJAT BHARGAVA,
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To
The Commissioner of Printing, Stationery and Stores Purchase (Publication Wing), A.P., Vijayawada ... for Publication of the Notification (he is requested to supply 20 copies of the notification to this Department and 200 copies to the Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada)
The Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada.

Copy to:

The Secretary, VAT Appellate Tribunal, Visakhapatnam.
The State Representative before the VAT Appellate Tribunal, Visakhapatnam.
The Director General, General Administration (Vigilance & Enforcement) Department, 2nd floor, Pundit Nehru Bus Station Complex, Vijayawada.
The P.S. to Principal Secretary to the Hon'ble Chief Minister.
The P.S. to the Hon'ble Deputy Chief Minister (Excise & Commercial Taxes).
The P.S. to the SPl.C.S (CT, Excise and Regn., & Stamps).
Sc/Sf

//FORWARDED::BY ORDER//

SECTION OFFICER